

GROUP PERFORMANCE AND RESULTS

(in millions of Euro)

	2013	2012 (**)	% change	2011 (*)
Sales	7,273	7,848	-7.3%	7,583
Adjusted EBITDA	612	647	-5.5%	568
% of sales	8.4%	8.2%		7.5%
EBITDA	562	546	2.9%	269
% of sales	7.7%	7.0%		3.4%
Fair value change in metal derivatives	(8)	14		(62)
Remeasurement of minority put option liability	-	7		(1)
Fair value stock options	(14)	(17)		(7)
Amortisation, depreciation and impairment	(180)	(188)	-4.3%	(180)
Operating income	360	362	-0.8%	19
% of sales	4.9%	4.6%		0.3%
Net finance income/(costs)	(153)	(137)		(129)
Share of net profit/(loss) of associates and dividends from other companies	15	17		9
Profit/(loss) before taxes	222	242	-8.4%	(101)
% of sales	3.1%	3.1%		-1.3%
Taxes	(68)	(73)		(44)
Net profit/(loss) for the year	154	169	-8.6%	(145)
% of sales	2.1%	2.2%		-1.9%
Attributable to:				
Owners of the parent	149	166		(136)
Non-controlling interests	5	3		(9)

RECONCILIATION OF OPERATING INCOME / EBITDA TO ADJUSTED OPERATING INCOME / ADJUSTED EBITDA

	2013	2012	% change	2011
Operating income (A)	360	362	-0.8%	19
EBITDA (B)	562	546	2.9%	269
Non-recurring expenses/(income):				
Company reorganisation	50	74		56
Antitrust	(6)	1		205
Draka integration costs	-	9		12
Tax inspections	-	3		-
Environmental remediation and other costs	(3)	3		5
Italian pensions reform	-	1		-
Gains on asset disposals	(5)	(3)		(1)
Draka acquisition costs	-	-		6
Effects of Draka change of control	-	-		2
Release of Draka inventory step-up	-	-		14
Other net non-recurring expenses	14	13		-
Total non-recurring expenses/(income) (C)	50	101		299
Fair value change in metal derivatives (D)	8	(14)		62
Fair value stock options (E)	14	17		7
Remeasurement of minority put option liability (F)	-	(7)		1
Impairment of assets (G)	25	24		38
Adjusted operating income (A+C+D+E+F+G)	457	483	-5.4%	426
Adjusted EBITDA (B+C)	612	647	-5.5%	568

(*) Includes the Draka Group's results for the period 1 March – 31 December 2011.

(**) The previously published figures have been amended. Further details can be found in Section C. Restatement of comparative figures at 31 December 2012 in the Explanatory Notes to the Consolidated Financial Statements.

The Prysmian Group's sales in 2013 came to Euro 7,273 million, compared with Euro 7,848 million in 2012.

Excluding changes in metal prices and exchange rates, organic growth was negative (-3.1%), analysed between the two operating segments as follows:

- Energy - 1.0%;
- Telecom - 12.0%.

The above organic decrease figures exclude for the Telecom segment, the consolidation of the remaining 50% of Telcon Fios e Cabos para Telecomunicações S.A. for the period 1 January - 31 March 2013 (because consolidated line-by-line from 1 April 2012), and for the Energy segment, the consolidation of the results of Prysmian Powerlink Services Ltd (formerly Global Marine Systems Energy Ltd) in the period January - November 2013 (because consolidated from 15 November 2012), as well as the effect of not consolidating the results of Ravin Cables Limited (India) and Power Plus Cable CO LLC (Middle East) for the first three months of 2013. It has

been impossible for the Prysmian Group to be able to obtain reliable, updated financial information about these last two companies since the second quarter of 2012; as a result, their figures have been consolidated only up until 31 March 2012.

The Energy segment was adversely impacted by the general contraction in volumes mainly in the Trade & Installers, Renewables and Power Distribution businesses, partially offset by the positive performance of Submarine Cable projects and certain sectors of the Industrial business. The Telecom segment confirmed the downward trend in demand for optical fibre cables in the Americas due, in the United States, to the ending of government investment incentives and, in South America, to the waiting period prior to the release of the new stimulus programme, initially scheduled for 2013 but now likely in 2014.

Group Adjusted EBITDA (before Euro 50 million in net non-recurring expenses) came to Euro 612 million, posting a decrease of Euro 35 million on the corresponding figure in 2012 of Euro 647 million (-5.5%).